

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 3/22/2016	(3) CONTACT/PHONE Catherine Martin, Water Resources Engineer (805) 781-5275	
(4) SUBJECT Submittal of a resolution formally initiating the Los Osos Groundwater Basin boundary modification request with the California Department of Water Resources, and find the project exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Approve the attached resolution formally initiating the Los Osos Groundwater Basin boundary modification request and authorizing the Public Works Director or designee to act as "Requesting Manager," submit the boundary modification request to the California Department of Water Resources (DWR) and coordinate with DWR as needed throughout the subsequent review and approval process; and 2. Find that the Project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). 			
(6) FUNDING SOURCE(S) San Luis Obispo Flood Control and Water Conservation District Fund 1300000000	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>25 min</u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? NO	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 1/5/16, #14	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 2			

Reference: 16MAR22-BB-1

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Catherine Martin, Water Resources Engineer

Carolyn K. Berg, Senior Water Resources Engineer

VIA: Courtney Howard, Water Resources Division Manager

Mark Hutchinson, Deputy Director of Public Works

DATE: 3/22/2016

SUBJECT: Submittal of a resolution formally initiating the Los Osos Groundwater Basin boundary modification request with the California Department of Water Resources, and find the project exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). District 2.

RECOMMENDATION

It is recommended that the Board:

1. Approve the attached resolution formally initiating the Los Osos Groundwater Basin boundary modification request and authorizing the Public Works Director or designee to act as "Requesting Manager¹," submit the boundary modification request to the California Department of Water Resources (DWR) and coordinate with DWR as needed throughout the subsequent review and approval process; and
2. Find that the Project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA).

DISCUSSION

The "Sustainable Groundwater Management Act" (SGMA) took effect on January 1, 2015. SGMA provides new authorities to management agencies and requires various actions be taken in order to achieve sustainable groundwater management in high and medium priority groundwater basins. Based on the 2014 Final Basin Prioritization by DWR, there are five high and medium priority groundwater basins in San Luis Obispo County: Paso Robles (high), Santa Maria (high), Los Osos (high), San Luis Obispo (Edna) Valley (medium), and Cuyama Valley (medium).

¹ Code of Regulations §344.2 (d) "Requesting Manager" is defined as an employee or authorized representative of a requesting agency who has been delegated responsibility for submitting the boundary modification request and serving as the point of contact between the requesting agency and [DWR].

On January 13, 2015, your Board adopted the SGMA Strategy and directed staff to implement the policy. The strategy provided that those basins designated by the State as high and medium priority, including the Los Osos Basin, receive the first priority for the resources necessary to meet statutory deadlines.

DWR Bulletin 118 Basin Boundary Modification Process

Among SGMA's first statutory deadlines is the requirement for DWR to update the State's Bulletin 118 Report and modify basin boundaries as needed to reflect DWR-approved scientific and jurisdictional information. DWR's Bulletin 118 Report maintains an inventory of the State's groundwater basins (and related basin boundaries) and was last updated in 2003. On October 21, 2015, the DWR adopted emergency regulations relating to basin boundary modification processes, consistent with SGMA (DWR Boundary Regulations). The DWR Boundary Regulations detail the required processes that a local agency must follow prior to requesting that DWR make modifications to a basin boundary based on updated scientific and/or jurisdictional information. Modification requests may be submitted by local agencies to DWR from January 1 to March 31, 2016, for DWR's review and ultimate approval or denial.

Los Osos Groundwater Basin Management and Related Boundary

On October 14, 2015, Judge Martin J. Tangeman of the San Luis Obispo Superior Court signed an order approving the Stipulated Judgment and the Updated Basin Management Plan for the Los Osos Groundwater Basin (Basin Plan). Based on the best available science at the time, the Basin Plan defined a different boundary than DWR's Bulletin 118 boundary. SGMA includes a provision that provides that SGMA does not apply to the portion of the Los Osos basin that is at issue in the litigation, subject to certain requirements. Therefore, aligning the DWR Bulletin 118 and Basin Plan boundaries will be important.

Los Osos Groundwater Basin local agencies have an opportunity to request a modification to the Bulletin 118 boundary with current scientific data. On December 14, 2015, the Los Osos Basin Management Committee took action to request that the County submit a notice of intent to explore a basin boundary modification for the Los Osos Groundwater Basin. On January 5, 2016, the County Board directed staff to submit an initial notification of intent to explore a boundary modification for the Los Osos Groundwater Basin to DWR², and to coordinate with basin users to develop a boundary modification request in accordance with the DWR Boundary Regulations. On January 12, 2016, County staff submitted the initial notification to DWR and began conducting notice and consultation efforts described below (consistent with the DWR Boundary Regulations³).

² Code of Regulations §343.9 (a) Within 15 days of a local agency's decision to explore boundary modification, the relevant local agency shall notify the Department by written notice of its interest in exploring a boundary modification and make general information about its process publicly available by posting relevant information to the local agency's Internet Web site or by other suitable means. The initial notification shall include a brief description and preliminary map of the proposed boundary modification.

³ Code of Regulations §344.4 Each request for boundary modification shall include information demonstrating that the requesting agency consulted with affected agencies and affected systems including, but not limited to, the following: (c) Information regarding the nature of consultation, including copies of correspondence with affected agencies and affected systems and any other persons or entities consulted, as appropriate. (d) A summary of all public meetings at which the proposed boundary modification was discussed or considered by the requesting agency, including copies of any meeting agendas or minutes, if prepared, and any notices published. (e) A copy of all comments regarding the proposed boundary modification received by the requesting agency and a summary of any responses made by the requesting agency.

Exploring a Los Osos Groundwater Basin Boundary Modification

The County contracted with Cleath-Harris Geologists Inc. to develop a technical memorandum with the necessary justification, as required by the DWR Boundary Regulations, to support a potential scientific boundary modification request. On January 22, 2016, staff published the draft technical memorandum. The following is an overview statement of the proposed scientific external boundary modification request (see Attachments 1 and 2):

The proposed Los Osos Valley groundwater basin is bounded on the north by Park Ridge, on the south by the Irish Hills, on the west by the Pacific Ocean, and on the east by Warden Lake. In general hydrogeologic terms, the proposed lateral basin boundary is the onshore extent of the contiguous area overlying the principal aquifers, with at least one pre-Holocene aquifer present. The proposed bottom of the basin is the base of permeable sediments, which is defined by the contiguous base of the stacked principal aquifers within the lateral basin boundary.

County Staff recommends that DWR consider this scientific external modification request, with exceptions noted within the context of the boundaries consistent with the final court order.

On January 26, 2016, staff held a public workshop to describe the regulations, public process, and proposed modification request. Staff solicited public comments on the draft technical memorandum through February 12, 2016. One substantive comment was received from basin users and DWR staff provided initial comments. It is important to note that DWR staff's initial comments indicated that the modified boundary described in the draft technical memorandum could potentially create a new groundwater basin in the eastern valley area, and noted that with all basin boundary modifications, DWR will take the time to determine if a new basin will or will not be formed. All comments received are attached to the Boundary Modification Request Package (see Attachment 2).

Staff also communicated with affected agencies and affected systems within the basin to provide notice of the potential boundary modification request, and to provide an opportunity for such entities to support or oppose a proposed boundary modification⁴. Given the expedited timeframe associated with this process, staff will provide a summary of responses received during the presentation to the Board.

Los Osos Groundwater Basin Boundary Modification Request

The Board can either take the action to formally initiate the Los Osos Groundwater Basin boundary modification request (as described in Attachments 1 and 2) or direct staff to withdraw the boundary modification request (initiated via the January 12th notice of interest) from DWR's process⁵. Approval of the attached resolution would allow the Board to formally initiate the modification request, and would authorize the Director of Public Works, or designee, to act as the "Requesting Manager,"

⁴ Code of Regulations §344.8 (a) Each request for boundary modification shall include the following: (1) Evidence that the requesting agency provided information to affected agencies and affected systems regarding the proposed boundary modification as required by Section 344.4 and provided those affected agencies and affected systems an opportunity to comment in support or opposition.

⁵ Code of Regulations §343.14 The requesting agency may withdraw a boundary modification request at any time before the request is finalized by providing written notice to the Department.

submit the modification request to DWR, and coordinate with DWR as needed throughout the subsequent review and approval process. This could include the Requesting Manager responding to DWR questions or comments during review of the request, and/or to comments received during DWR's 30-day Public Input period or subsequent process.

Approval of the attached resolution would also make necessary findings to ensure that the request is consistent with the DWR Boundary Regulations requirement for CEQA Compliance⁶. County staff reviewed the proposed request and finds that it is exempt from Section 21000 et seq. of the California Public Resources Code (see Attachment 3).

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel is providing legal guidance on all aspects of the County's participation in the implementation of the Basin Plan and Stipulated Judgment.

Three other local water purveyors are involved: Golden State Water Company, Los Osos Community Services District, and S&T Mutual Water Company. On February 17, 2016 the Los Osos Basin Management Committee took action to support the proposed boundary modification request.

This administrative process to request basin boundary modifications is established by DWR.

The County Environmental Coordinator has reviewed the project and determined it to be exempt from CEQA.

FINANCIAL CONSIDERATIONS

Costs associated with submittal of this initial notification to DWR and engagement with Basin users are within the Flood Control District's FY 2015-16 budget.

The parties to the Basin Management Committee: Golden State Water Company, Los Osos Community Services District, and S&T Mutual Water Company adopted their annual budget January 5, 2016 that includes a line item for the related technical memorandum.

RESULTS

Approval of the recommended action will allow the agencies participating in the BMC Los Osos Basin Management Committee and basin users to align the DWR Bulletin 118 basin boundary with the boundaries based on the best available scientific data; and the boundaries consistent with the final court order. This will provide direction to County staff, thereby contributing to a well governed community.

⁶ Code of Regulations §344.18 The requesting agency shall satisfy requirements of the California Environmental Quality Act (Public Resources Code Sections 21000 et seq.), including, if necessary, information to enable the Department to satisfy the requirements of a responsible agency.

ATTACHMENTS

1. Proposed Los Osos Groundwater Basin Boundary Modification Map
2. Boundary Modification Request Package
3. CEQA Notice of General Rule Exemption
4. California Code of Regulations - Basin Boundary Regulations
5. Los Osos Groundwater Basin Boundary Comparison Map
6. Resolution Formally Initiating the Los Osos Valley Groundwater Basin Boundary Modification Request with the California Department of Water Resources and Find the Project Exempt from Section 21000 et seq. of the California Public Resources Code CEQA)

File: CF 340.300.01 Sustainable Groundwater Management Act (SGMA)

Reference: 16MAR22-BB-1

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